

State of Connecticut
Office Of Consumer Counsel

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Consumer Counsel



Connecticut General Assembly
Planning and Development Committee, March 11, 2013

Governor's S.B. No. 847,
An Act Concerning The Commission For Technology Advancement.

OCC Testimony

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The Office of Consumer Counsel (OCC) has carefully reviewed and supports the provisions of this proposed bill which expands the scope of the state's broadband "governance" body to reflect the ever-growing importance of broadband as a public utility for the 21st century. The Consumer Counsel very much appreciates the opportunity to participate as a member in the new Commission for Technology Advancement, and hopes to actively support the efforts of the new Commission to become the state government's principal technology advancement policy advisor in the development, oversight and direction of the attainment of state-wide technology advancement goals.

This proposed legislation creating the Commission for Technology Advancement is quite timely. The OCC believes that this new Commission is a necessary step in the race among states and other nations to remain competitive at the cutting edge of broadband technology and providing access to broadband services by citizens. The bill changes the scope of the commission to increase and improve "usage of high-speed, cost effective network technology to meet collaboration demand of state and local government and private industry." That is a 21st century goal with an urgency that some telecom providers and others may not feel, but which is real and must be addressed in these times of economic distress and need for job creation.

Today's market for broadband services is identical to the market that existed for electricity one hundred years ago: broadband is an essential public utility service now, and those communities that lack access to high speed Internet access will be left behind in the competition between towns, states, and other nations. It is well accepted that by improving communication and information, broadband facilitates social interactions and expands business opportunities nationally and globally. This in turn increases job creation, reduces miles driven and fossil fuels consumed, expands consumer choice, and improves competition for goods and services.

Connecticut cannot compete in the national and global economies without topflight broadband access and adoption.

And, just as happened a century ago, the state and many municipalities are faced with building their own networks or losing the competitive race for economic development and jobs that are only possible with robust broadband in their towns. The corporate business plans of the telecommunications providers make it quite difficult for local governments to expand their use of broadband due to high costs, slow broadband speed offerings, and a lack of quality service. The state's 169 municipalities cannot continue to afford to continue to subsidize corporate profits at taxpayer expense. One need only look to our neighboring states of New York and Massachusetts for extraordinary broadband services that are the result of great state and local involvement, from their governor's participation to governance boards like the one proposed in this bill.

Connecticut must actively increase access to and adoption of broadband services in this state, a process that requires much state action in the absence of help from the private sector. E-government is a demonstrated cost-avoidance process that can deliver much more robust governmental services at far lower costs, and cost avoidance and raising the level of government services delivered is the best way for the state and municipalities to put the needs of their communities and citizens first.

Broadband will enable the state and municipalities to better share resources and expertise among themselves to the benefit of the state and all citizens, all at much lower rates than currently paid for telecommunications and transportation. The state has a public policy goals reflected in the scope of this bill and the time has come for the state and local governments to have access to excellent broadband services to better serve their constituents, residential and business.

Each of the state's municipalities competes with its neighbors, the state, and other countries for resources, jobs, and business development. It is thus imperative for our municipalities to have access to the "transportation/energy" of the 21st century, broadband, and unfortunately our communities are finding access to high speed, reasonably priced broadband impossible to acquire. We know that the market presence of CEN and other competitive providers generate the benefits of competition, namely driving prices down toward cost, and boosting service quality and

the scope of offerings. This is true facilities-based competition, not the mere cooperative exercise of historic monopoly boundaries that now exists.

The OCC is well qualified to serve as a member of the Commission. Over the last decade, the OCC has developed specialized expertise and experience in the state and federal regulatory processes affecting the Internet service providers active in Connecticut as the convergence of regulated telephone and cable services into broadband services has evolved. The OCC, together with the Public Utilities Regulatory Authority (PURA), has served as the state's program manager since 2009 for a \$4 million 5-year federal stimulus grant to the state to facilitate the integration of broadband and information technology into the state and local economies.

The OCC's federally-funded staff position of Broadband Policy Coordinator has responsibility to the federal and state governments to promote awareness concerning access to and adoption of broadband services across Connecticut. In this capacity, the Broadband Policy Coordinator identifies and supports opportunities for increased collaboration amongst various state agencies and statewide councils as it relates to the creation and promotion of broadband policies. The federal funding supports Connecticut's role in the national State Broadband Initiative (SBI) to implement a comprehensive program, led by state entities or non-profit organizations working at their direction, to promote economic development, energy efficiency, and advances in education and health care that rely not only on broadband infrastructure, but also on the knowledge and tools to leverage that infrastructure.

While Connecticut currently has a robust network of public and private broadband technology, we must be vigorous in this area since other states and countries are also rapidly and consistently upgrading their technology for widespread residential and business use. This is not the time to rest on our accomplishments to date since broadband technology is evolving constantly and requires the best minds and planning to coordinate investments that can rapidly provide economic development, new jobs, and keep Connecticut at the cutting edge in the high tech world in which we compete.

The OCC and PURA contracted with the Connecticut Academy of Science and Engineering (CASE) for the purpose of providing well-reasoned and objective guidance—input and suggestions—for the state to use in its

formulation of the state's strategic plan regarding enhancement of advanced technologies in this state. After nearly two years of study and debate, the report from CASE was released December 31, 2011, entitled ***Guidelines For The Development Of A Strategic Plan For Accessibility To And Adoption Of Broadband Services In Connecticut*** (CASE Guidelines -a link to that report is provided as an appendix to this testimony). The report was thorough in its analysis of the current status of broadband services across Connecticut, and detailed certain recommendations for proceeding to enhance access to and adoption of broadband by residents, communities, and businesses.

It is unfortunately apparent from the research conducted that Connecticut currently has inadequate coordination among broadband policy makers and does not have clearly defined broadband goals. In researching other states and nations, one common thread found in the CASE Guidelines that was evident among broadband leaders in other states and countries was a need for a clearly defined goal and actionable steps to advance economic development and job creation. This is especially true in attempting to develop the significant public policy goals that will increase economic development or job creation, particularly at times like these when the economy has suffered for a number of years and requires great stimulation before investment and confidence can once again grow and achieve positive results.

The OCC's Broadband Policy Coordinator works with most of the other members of the proposed Commission on various state programs and policymaking focus largely on expanding broadband Internet access and adoption in America, expanding the use of spectrum by all users, and ensuring that the Internet remains an engine for continued innovation and economic growth. These goals are critical to America's competitiveness in the 21st century global economy and to addressing many of the nation's most pressing needs, such as improving education, health care, and public safety.

The OCC looks forward to an active and central role in helping the Commission move Connecticut to the top spot among states and nations in the adoption of and access to broadband services by all citizens and communities, with a sustainable plan for staying on top into the future.

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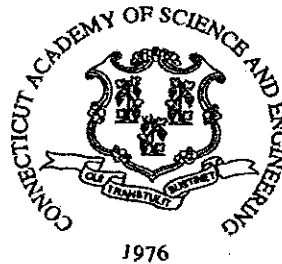
The full report, executive summary, and key points are available at www.ctcase.org(scroll down to Reports and Studies).

GUIDELINES FOR THE DEVELOPMENT OF A STRATEGIC PLAN FOR ACCESSIBILITY TO AND ADOPTION OF BROADBAND SERVICES IN CONNECTICUT

DECEMBER 2011

A REPORT BY

**THE CONNECTICUT
ACADEMY OF SCIENCE
AND ENGINEERING**



FOR THE

**CONNECTICUT OFFICE OF CONSUMER COUNSEL
AND
CONNECTICUT PUBLIC UTILITIES REGULATORY
AUTHORITY, DEPARTMENT OF ENERGY AND
ENVIRONMENTAL PROTECTION**